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17 AUG 1963

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MEMORANDUM FOR: Deputy Director of Central Intelligence**SUBJECT: CIA/DOD Management Relations Problems
Under the NRO Concept**

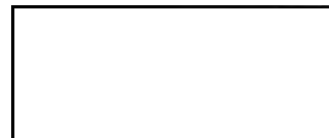
1. Ever since the advent of the U-2 there has been a power struggle between the Central Intelligence Agency (CIA) and the United States Air Force (USAF) as to which would control, manage, and operate covert reconnaissance over denied territory. The decision, at the time of the U-2, was that such control and management would rest with the CIA. The USAF would provide logistical and administrative support. The resulting management structure during the U-2 era resulted in a one-man show run by Mr. Richard M. Bissell, who controlled the entire project, including the development, the technical direction, funding, contracting, security, and operations. Colonel Geary was in charge of providing the support of the Air Force facilities, such as, bases, industrial equipment, fuel, transportation, personnel, and all base and ground support facilities, without which the program could obviously not have been accomplished within the CIA. The Air Force also furnished a majority of the funds. This management structure was ideal - Mr. Bissell had control of all the resources required, and reported to no-one except Mr. Dulles, who had in turn delegated complete freedom and authority to Mr. Bissell, with a requirement that he only be kept informed of major milestones and events.

2. Since the U-2, the appearance of additional and sophisticated systems and their related functions has created a very complex management situation. Instead of one reconnaissance system we now have the U-2, its follow-on aircraft system the A-12, a whole family of satellites, and greatly enlarged related functions; such as, photographic processing [Redacted Box]

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NRO review(s) completed.



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contracting, security, and numerous new developments which are under consideration or have been recommended by various sources. This expanding arsenal of systems, projects, programs, and functions produced an expanding bureaucracy. Instead of a one-man single manager direction of the covert reconnaissance program, we have the Special Group; DCI; DDGI; D/NRO; DD/S&T; AD/OSA; Director, Program A, NRO; Director, Program B, NRO; Director, Program D, NRO; Under Secretary of the Air Force; and DSOD, all involved in directing the covert reconnaissance plan.

3. As the covert reconnaissance activity grew, the NRO was created to provide a functional organization which would control all covert reconnaissance systems and operations within the parameters of a national reconnaissance plan. Such an organization could be made to work but requires one of two things; (1) a chief executive who has the final decision in the assignment of functions and responsibilities among the participating and competing groups, or, (2) by compromise agreement by the groups on the division of functions. In the case of the NRO, neither of these two is evident. Attached is a listing of major projects plotted against five major management functions. Question marks depict areas of dispute and/or absence of any definitive assignment of responsibility.

4. Such disputes have resulted in considerable confusion and a slow-down of the entire National Reconnaissance Plan because of the large amount of time and resources devoted to argument.

5. It is imperative that this condition not be allowed to continue. The solution is really not difficult. Only two things are required: first, there must be a broad policy decision made between the Secretary of Defense, the DCI, or the President. In this respect there are four choices:

a. Make the NRO concept workable. This will take compromise, mutual respect, prior consultation on matters of substance, and getting together to agree on some logical division of responsibilities.

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b. Disband the NRO as unworkable and let the CIA and DOD act independently in the acquisition and control of covert reconnaissance systems.

c. Let the situation continue as it is presently operating and permit participating groups to maneuver and struggle for power and control. Such a line of action is sometimes justified because it provides competition. Under detailed consideration this advantage is not likely to compensate for the inefficiency and confusion which necessarily results from such an arrangement.

d. Have the President assign the total covert reconnaissance function to either the CIA or the DOD. It should be pointed out that in terms of pure capabilities the DOD could provide all necessary functions, facilities, and other assets to singularly carry out such an assignment. The CIA could not, without assistance from the DOD.

Assuming that the broad policy decision is made to the effect that a NRO is desired from a national standpoint then the second thing that must be done is to assign the projects, programs, and functional tasks to the various program directors in a manner which will result in an acceptable compromise between the CIA and the DOD. Experience over the past year has demonstrated the futility of attempting to assign these responsibilities on a piecemeal basis.

6. If such a division of assignments is made there are several logical division of functions, I recommend the following as a departure point for discussion:

a. Give over-all management responsibility for all satellite programs to the Director of Program A with adequate representation on control boards and evaluation committees to Program B. There can be little doubt that the present Director of Program A has adequate facilities and know-how to perform this assignment. He reports directly and exclusively to the D/NRO and this presumably would make him immediately responsive to the requirements of the DCI.

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b. Assign initial development of the covert satellites to the Director, Program B. The special management techniques available to the Director, Program B provide the most secure environment for the initial development of specialized highly covert systems.

c. Consistent with the reasons as stated in 6.b. above, assign most new developments in the entire field of covert reconnaissance capabilities to include such initial studies as follow-on aircraft, image intensifiers, etc., to Program B.

d. Reaffirm the assignment of the U-2, OXCART, [] as total management responsibility of Director, Program B.

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e. Eliminate the [] consolidating those aircraft into the OXCART program.

f. Continue management relations of KEDLOCK and R-12 as presently administered.

g. Assign all management functions for photographic processing, photographic supply procurement, and photographic R&D to Director, Program B. This would include complete management control of the Eastman facility and the assignment of processing tasks to the Westover Air Force facility, the Saultland Naval Processing facility, and [] as required to meet the National Reconnaissance Plan.

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h. In line with the above assignments assign the satellite vulnerability project to Director, Program A and assign the aircraft vulnerability and countermeasures to Director, Program B.

i. Leave the satellite operations center under the Director, NRO.

j. Leave the air operations center under Director, Program B.

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k. Cancel the TAGBOARD program. This program is controversial, dilutes Lockheed's over-all capability, threatens the security of the OXCART program, and has little operational success probability because of multiple systems involved.

1. Assign other smaller projects or tasks, such as,

on a timely basis clearly defining responsibilities in those management areas of technical direction, operational control, contracting, security, and budgeting.

JACK C. LEDFORD
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Assistant Director
(Special Activities)

Attachments - 2

cc: DD/S&T

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Attachment #2,

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**MAJOR QUESTIONS OF NRO MANAGEMENT CAUSING
CONFLICT BETWEEN PARTICIPATING GROUPS**

1. Who directs schedules, and programs for film processing?
2. Who directs the development of better processing methods, equipment, and techniques?
3. Who controls the scheduling of satellites?
4. Who has technical direction and decision making authority in the satellite payload area?
5. Who will have technical direction and operational control of TAGBOARD?
6. Who is responsible for developing capabilities in:
 - a.
 - b.
 - c.
7. Who is responsible for implementing Purcell Panel recommendations?
8.
9.
10. Who will manage any OXCART follow-on aircraft program?
11. Who should control (OXCART)?
12. What is the division of management responsibilities in the areas of technical direction, operational control, security, contracting, and budgeting among all the projects and programs under the NRO?
13. What are the budget and funding procedures within the NRO and between its participating groups?

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